

INFORMATION LETTER

Not for
Publication

NATIONAL CANNERS ASSOCIATION

For Members
Only

No. 1474

Washington, D. C.

February 13, 1954

Importance of Member Participation in Consumer Trade Relations Program

Members of the Board of Directors of the National Canners Association have been requested to take leadership in efforts to bring about full membership participation in the new Consumer and Trade Relations Program of the Association.

In his first official letter to the 1954 Board, Secretary Campbell pointed out to new members that they had come on the Board at a time when their services can be of greatest value to the Association in strengthening the new program. "With your backing," Mr. Campbell wrote, "I can assure you that we on the staff will be able to demonstrate, within a reasonable length of time, the value of a program of this nature.

"As in most Association activities, success is frequently measured by the extent to which the members participate. In this new program, probably more than any other activity of the Association, member participation is essential. As soon as the plans have been completed we will expect each Director to assume his proportionate share of the responsibility for following through on the program to get canners in their respective states or areas to play their part."

In addition to their leadership in bringing about full member participation in the Consumer and Trade Relations Program, Mr. Campbell suggested that the Directors explore the possibility of adding new members to the Association. "It can be pointed out to nonmembers that the Association's new program is for the benefit of all canners, and that the expense of operating it should be shared by nonmembers as well as members. Consequently, each Director should, by virtue of his position on the Board, consider himself a committee of one to convince the nonmembers of his state that they should join the N.C.A. It is entirely possible that if that job is done effectively, this program may be continued beyond 1954 without having to alter the rate of dues."

Other methods of obtaining full member participation were discussed at an all-day session February 10 at N.C.A. headquarters by Messrs. George Anderson and Don R. Callahan of Dudley, Anderson & Yutzky,

(Please turn to page 121)

N.C.A. Protests QMC Plans, Asks for Industry Consultation To Formulate New Program

The N.C.A. this week protested to The Quartermaster General the plans for QMC procurement of canned foods this year and asked for further industry-government discussions with a view to bringing about changes in the QMC's announced plans.

The action was taken in a letter from Alfred J. Stokely, Chairman of the N.C.A. Procurement Committee, to Maj. Gen. K. L. Hastings, The Quartermaster General of the Army.

Immediately following the announcement of the QMC's procurement program for purchase of fruits and vegetables, the N.C.A. Procurement Committee took under consideration how best to advise the Quartermaster General of industry opinion. It was decided that, in addition to advising the Quartermaster General of the resolution adopted at the Annual Convention, a letter should protest the announced program and suggest further consultation with the QMC's Canned Fruit and Vegetable Industry Advisory Committee.

Secretaries of the state and regional canners associations have been asked to cooperate with the N.C.A. Procurement Committee by eliciting comment of their membership on the program announced at the Convention

(Please turn to page 122)

Wage-hour Legislation

Senator Murray (Mont.), former chairman of the Senate Labor Committee, has introduced a bill, S. 2914, that would repeal the section 7(b) (3) and 7(c) exemptions in the wage-hour law.

Senator Murray's bill is one of a number of measures introduced at this session of Congress to raise the statutory minimum wage and to provide other amendments in the Fair Labor Standards Act.

The Administration has made no recommendations for amendment of the wage-hour law and no Congressional action on any of these bills has been scheduled.

Mexican Farm Labor Program

Organized labor offered strenuous opposition to a bill to provide authority for the operation of a unilateral program for the employment of Mexican nationals in agriculture in the course of hearings before the House Committee on Agriculture. The legislation, which was supported by the major farm organizations and by the United States Department of Labor, was introduced when negotiations with Mexico reached a stalemate and to provide a basis for the appropriation of funds for the continuation of the Mexican labor program.

In spite of the opposition of organized labor to a unilateral program, it is expected that the legislation will be favorably reported by the House Committee on Agriculture and receive favorable approval by Congress at an early date.

Amortization under Sec. 124A

The Office of Defense Mobilization has modified the rules for issuance of necessity certificates under Section 124A of the Internal Revenue Code. The modification is made in ODM Regulation No. 1, which was issued February 2 as a substitute for the old DPA Reg. 1.

STATISTICS

Packs of Beets and Carrots through Dec. 31, 1953

The 1953 packs of canned beets and canned carrots through December 31 have been compiled by the N.C.A. Division of Statistics.

Reports also have been issued by the Division on canners' stocks and shipments of these items as of January 1.

Beet Pack through December 31, 1953

State	Pack through Dec. 31	
	1952	1953
	(actual cases)	
New York.....	2,159,173	2,079,490
Md. and N. J.....	603,048	586,956
Michigan.....	219,465	251,942
Wisconsin.....	3,270,340	3,629,760
Utah.....	(a)	33,179
Ore. and Wash.....	856,769	903,096
Other states.....	739,638	1,067,922
U. S. Total.....	7,848,433	8,642,348

(a) Included in other states.

Carrot Pack through December 31, 1953

State	Pack through Dec. 31	
	1952	1953
	(actual cases)	
New York.....	467,121	454,488
Maryland.....	135,185	121,376
Michigan.....	74,241	85,317
Wisconsin.....	541,042	604,861
Ore. and Wash.....	502,846	562,328
Other states.....	712,865	825,328
U. S. Total.....	2,493,300	2,480,162

Canned Beet Stocks and Shipments

	1952-53*	1953-54
	(actual cases)	
Carryover, July 1.....	1,863,459	1,447,219
Pack to Dec. 31.....	6,981,018	8,642,348
Total supply.....	8,844,477	10,089,567
Stocks, Jan. 1.....	4,748,189	5,764,035
Shipments, July 1 to Jan. 1.....	4,096,288	4,325,532

Canned Carrot Stocks and Shipments

	1952-53*	1953-54
	(actual cases)	
Carryover, July 1.....	216,400	528,256
Pack to Dec. 31.....	3,471,628	2,480,162
Total supply.....	3,688,028	3,008,418
Stocks, Jan. 1.....	1,383,290	1,890,953
Shipments, July 1 to Jan. 1.....	1,304,738	1,117,465

* Revised.

1953 Packs of Canned Fish

The total 1953 pack of canned fishery products was about 10 percent less than the 647,000,000 pounds packed in 1952, according to the Fish and Wildlife Service.

Declines were registered for canned salmon, canned Maine sardines, canned mackerel, and frozen fish products, and larger packs were reported for canned tuna, canned shrimp, and canned anchovies.

Salmon—The pack of canned salmon in the United States and Alaska amounted to about 3,900,000 cases, compared with 4,464,000 cases in 1952.

Sardines—The Maine sardine pack was approximately 2,000,000 cases, compared with 3,531,000 cases the previous year.

Mackerel—Production of canned Pacific and Jack mackerel dropped to about 593,000 cases from the 1952 pack of 1,525,000 cases.

Tuna—The pack of tuna amounted to 9,520,000 cases, approximately 400,000 cases more than in the previous year, for an all-time high.

Shrimp—Production of canned shrimp increased about 10 per cent over the 1952 pack of 818,000 cases.

Anchovies—The pack of canned anchovies increased sharply, but this is expected to have little effect on the over-all supply of canned fish for domestic consumption inasmuch as most of this pack is exported.

The FWS also reported the output of frozen fishery products at 275 million pounds as compared with 313 million pounds in 1952, and listed increased production of fish meal and fish oils.

Citrus Fruit Production

Citrus fruit prospects improved materially during January, and February 1 estimates reported by the Agricultural Marketing Service, USDA, are for 124.8 million boxes of oranges, 4 percent above the 1952-53 crop and 18 percent above average.

Total production of early and mid-season oranges is forecast at 66 million boxes, up 10 percent from last season. Valencia oranges are placed at 58.7 million boxes, 1 percent below last season.

The grapefruit crop is estimated at 44.3 million boxes, 16 percent above last year but 14 percent below the 1942-51 average.

Utilization of Florida oranges to February 1 totaled slightly more than 38 million boxes, about 7 million boxes more than to the same date last year. Fresh markets took 12.3 million boxes this year, about the same as to the same date last year, and the increased use was all in processing, the AMS reported. Use of Florida oranges was a record in the week ending January 30, when utilization totaled 3.8 million boxes, of which 3 million were used by canners, mostly for concentrate.

Florida grapefruit utilization totaled 17.5 million boxes to February 1 compared with 15 million boxes a year ago. Processing took 8 million boxes, a million more than last year to the same date.

FDA Revises Interpretation on Dietary Food Labeling

In a statement of policy published in the *Federal Register* of February 10, the Food and Drug Administration announces a revised interpretation of the regulations for labeling of special dietary foods, so far as they apply to the nutrients vitamin B₁₂ and folic acid. New evidence, the announcement says, indicates that these substances are needed in human nutrition and therefore labels need no longer say that the need for them has not been established.

Following is the text of the FDA statement of policy:

TITLE 21—FOOD AND DRUGS

Chapter I—Food and Drug Administration, Department of Health, Education, and Welfare

PART 3—STATEMENTS OF GENERAL POLICY OR INTERPRETATION

LABEL DECLARATION OF VITAMIN B₁₂ AND FOLIC ACID IN FOODS FOR SPECIAL DIETARY USES

Pursuant to section 3 of the Administrative Procedure Act (sec. 3, 60 Stat. 237, 238; 5 U.S.C. 1002), the following statement of policy is issued:

§ 3.32 Label declarations of vitamin B₁₂ and folic acid in foods for special dietary uses. (a) Section 125.3 (a) (2) of this chapter, issued under the authority of section 403(j) of the Federal Food, Drug, and Cosmetic Act (sec. 403(j), 52 Stat. 1048; 21 U.S.C. 343(j)) requires that if a food purports to be or is represented for special dietary use of man by reason, in whole or in part, of a vitamin for which the need in human nutrition has not been established, the label of such food shall bear the statement "The need for in human nutrition has not been established," the blank to be filled in with the name of such vitamin.

(b) Heretofore this Department has considered vitamin B₁₂ and folic acid as among those vitamins for which the need in human nutrition has not been established. However, recent scientific evidence shows that these vitamins are needed in human nutrition. The Department therefore considers the requirement of § 125.3 (a) (2) quoted in paragraph (a) of this section as no longer applicable to food offered for special dietary use by reason of these vitamins.

(Sec. 701, 52 Stat. 1055; 21 U.S.C. 371. Interprets or applies sec. 403, 52 Stat. 1048; 21 U.S.C. 343)

Dated: February 4, 1954.

[SEAL] OVETA CULP HOBBY,
Secretary.

FOREIGN TRADE

British Token Import Plan

Notice is given in the *Federal Register* of February 10 that the Bureau of Foreign Commerce of the U. S. Department of Commerce proposes to amend its regulations governing United States participation in the British Token Import Plan.

The Plan is an arrangement with the British government which permits U. S. manufacturers, their authorized agents, or other qualified exporters with established prewar trade connections in the United Kingdom (England, Scotland, Wales, and Northern Ireland) to export to that area token shipments of specified commodities.

The new proposed rules would continue the basic principles of the Plan but will change the procedure for certification of eligibility and conditions upon which quotas would be allotted. Also, under certain conditions, manufacturers who did not trade in the British market during the base period, 1936-38, would be allowed for the first time to participate in the Plan after June 30.

The following commodities are among those that have been approved by the British Board of Trade as those to which the Plan shall apply:

The number preceding each commodity is the "Commodity Group Number", which must be entered on all forms which require this information.

FOOD AND DRINK

- 156. Bottled fruits, processed for serving with ice cream.
- 85. Canned lobster.
- 75. Canned macaroni and spaghetti.
- 76. Canned pork and beans.
- 74. Canned soups.
- 84. Canned vegetables, other than tomatoes and tomato purée (including tomato juice).
- 118. Glacé cherries.
- 82. Olives preserved in salt or brine.
- 157. Pickles.
- 185. Quick-frozen fruits.
- 119. Quick-frozen peas.

Trade with Japan

The United States is one of 18 contracting parties to the General Agreement on Tariffs and Trade that have agreed with Japan that the commercial relations between them will be based upon that Agreement.

Under the arrangement, Japan has given to the United States and to the other 17 countries a commitment binding against increase approximately 85 to 90 percent of Japan's present tariff rates. In return, Japan obtains all of the tariff concessions already made by the 18 contracting parties, but the arrangement results in no new reduc-

tions or bindings of tariff treatment on their part.

This arrangement is to remain in effect until June 30, 1955, unless at an earlier date Japan is made a contracting party. The arrangement was drawn up at the Eighth Session of GATT and now has been ratified by a sufficient number of contracting parties to make it generally effective.

Consumer Relations Program

(Concluded from page 119)

Secretary Campbell, and certain members of the staff.

The new program will be the subject of speeches by designated members of the Consumer and Trade Relations Committee and N.C.A. staff at various spring meetings of the state and regional canning associations.

Plans were drawn for the preparation of information kits for the use of individual canners with their brokers, buyers and distributors, and for numerous other phases of both consumer and trade publicity. Outlines of these plans are now being considered by members of the technical subcommittee and final details will be made available to N.C.A. members very shortly. The D.A.Y. organization has already issued releases on the generalities of the program to the trade press, and has several radio-TV scripts and other consumer releases in preparation.

PUBLICITY

Country Gentleman Magazine

Sara Harvey Watts, food editor, features canned soups in the February *Country Gentleman* magazine.

The article, "Cooking with Soups" begins: "How many ways can you think of to use a can of soup? Soup as soup, of course, but go on from there. The cans of soup in your pantry provide a magic ingredient for dozens of tempting dishes." The author goes on to say: "Best of all, they're quick as quick can be, for by starting with a prepared soup, much of the work has already been done for you."

Shown in attractive color photographs are the six recipes that use cream of chicken, cream of celery, tomato, cream of mushroom, clam chowder, vegetable, and chicken-rice soups. Canned pimiento, salmon, clams, and luncheon meat are also used.

Charm Magazine

Charlotte Adams, food editor, writes an article about dietetic pack canned and packaged foods in the February issue of *Charm* magazine.

In her article entitled, "At Your Weight," the author lists 17 fruits, 7 juices, 5 soups, 4 main dishes, and 2 fish among the canned foods for dieters. Some of these are pictured in the full-page color photograph that accompanies the article. Canned vegetables packed without added salt are also mentioned as being available for use primarily by persons on special therapeutic diets.

Miss Adams ends her article with, "Once again, the food industry has moved in a direction which will make it easier for women who work to eat the kind of food many of them should eat—and at the same time to find that food delicious and involving a minimum of preparation."

Parade Magazine

The February 14 issue of *Parade*, the Sunday supplement magazine nationally distributed with many metropolitan newspapers, features canned foods on the food page.

Beth Merriman, food editor, titles her photo-recipe feature "Spicy Salmon Luncheon", and describes it as "A meal-in-a-ring: piping hot corn bread with a savory cheese sauce holding flaked salmon and green peas." She suggests, "For a 'special' luncheon, or for a family supper, try this main dish that's both thrifty and easy to make."

Canned foods used are vegetable juice, salmon, peas, and chili sauce.

Invitations for Bids

Quartermaster Market Center System, 226 West Jackson Blvd., Chicago 6, Ill.

Veterans Administration—Procurement Division, Veterans Administration, Wash. 25, D. C.

The Walsh-Healey Public Contracts Act may apply to all operations performed after the date of notice of award if the total value of a contract is \$10,000 or over.

The Veterans Administration has invited sealed bids to furnish the following:

APPLES—4,800 dozen No. 10 cans, Grade C, with commercial labels, or equivalent in No. 2½ or No. 2 cans, f.o.b. destination. Bids due under S-324 by Feb. 18.

APPLESAUCE—2,500 dozen No. 10 cans, Grade A, with commercial labels, or equivalent in No. 2½ or No. 2 cans, f.o.b. destination. Bids due under S-324 by Feb. 18.

PROCUREMENT

Gen. Hastings Heads QMC

Maj. Gen. Kester L. Hastings took office February 5 as The Quartermaster General of the Army, succeeding Maj. Gen. George A. Horkan, who retired January 31.

General Hastings has been serving as Acting The Quartermaster General since last August, and plans for 1954 procurement have proceeded under his direction.

As Quartermaster for the Far East Command, from May, 1949, to September, 1952, he was responsible for providing food, clothing and other Quartermaster supplies to the troops in Korea during the hostilities.

Procurement Program

(Concluded from page 119)

tion by Brig. Gen. N. E. Waldron. Following is the text of the letter addressed to The Quartermaster General:

Dear General Hastings:

This letter has been prepared for three principal reasons: First, to extend to you the appreciation of the canning industry for the appearance of General Waldron on the program of the canning industry's Annual Convention, January 24, at Atlantic City. Second, to advise you of the resolution adopted by the industry in convention assembled at Atlantic City on January 23. And third, to offer comments of the Procurement Committee of the National Canners Association, of which I am Chairman, on the procurement procedures announced by General Waldron for purchasing canned fruits and vegetables.

The industry compliments your command for assembling and announcing early each year the annual military requirements for canned fruits and vegetables. The accurate appraisal and early announcement of the requirements is of benefit both to the government and the industry. It gives canners additional knowledge with which to plan. Every bit of knowledge relative to the demand for canned fruits and vegetables is extremely important since a full year's supply must be produced in the short space of one growing season. Although this year's requirements do not represent the volume of recent years, nevertheless, they represent a fair share of annual production and as General Waldron pointed out, the OQMG remains the largest single customer of the food industry.

Attached is the resolution adopted by the industry on the subject of government procurement. Essentially the resolution is the same as one

adopted a year ago. The procurement principles recommended in the resolution are based on the premise that it is an accepted and recognized matter of government policy that the United States is in a period of long-term defense mobilization; that the international situation demands that we maintain our economy at the "ready" position. This resolution, the industry believes, fulfills the principle enunciated by General Horkan that the knowledge with which to procure supplies can be stockpiled even though the supplies cannot. Paramount in dealing with such seasonal commodities as canned fruits and vegetables and for which there is a single annual market, is the maintenance of a broad base of supply. Perhaps equally important, however, is a procurement program that follows commercial practice.

In commenting on the procurement procedures outlined by General Waldron, we wish to point out that the program will not provide for a broad base of supply and does not follow normal commercial practices. As we understand it, the program announced by General Waldron contemplates informal bidding at the beginning of the pack for each seasonal fruit and vegetable item with contracts being awarded at a firm price calling for 100 percent guaranteed delivery of a specified grade. In our opinion procurement under such a procedure will evolve to where only a few large canners and a few so-called regular dealers will be the suppliers.

It is contrary to all commercial practice to make firm contracts for canned vegetables and fruits in advance of pack. Certainly the small canner will not be able to take the financial risk and gamble that he can deliver, out of a crop still in the field, a specific quantity of a specific grade

to the Quartermaster. Bidding in advance of pack will of necessity be extremely speculative and will play into the hands of those so-called "regular dealers" whose principal business consists of making a speculative profit on government bids.

It is conceded that when we have normal crops the canning industry can supply present military requirements in pounds of merchandise under any procurement program. Unfortunately, the supply of some item or another is affected every year by shortages and even crop failures.

In our opinion, the procedure used last year by the Army in purchasing its requirements costs no more than the procedure contemplated by General Waldron, provided one considers the over-all average, that is, averaging the items in short supply which ordinarily could be purchased more cheaply under a negotiated procurement basis, with the commodities in long supply, which ordinarily could be purchased more cheaply under a bid basis.

Our Committee feels we would be remiss if we did not write of our conviction that the program announced by General Waldron will not effectively accomplish the Quartermaster's over-all buying mission, and we suggest that since the program is so completely at variance with the program of the past three years, with the recommendations of the industry, and with the recommendations of your own Canned Fruit and Vegetable Advisory Committee, that you afford your Committee an opportunity to discuss further the military procurement of canned fruits and vegetables with your office at an early date.

Yours very truly,
Alfred J. Stokely, Chairman
N.C.A. Procurement Committee

TABLE OF CONTENTS

	PAGE		PAGE
Congress		Procurement	
Mexican farm labor program . . .	119	N.C.A. protests QMC plans, asks for industry consultation to formulate new 1954 program . . .	119
Wage-hour legislation	119	Invitations for bids	121
Consumer Relations		Gen. Hastings heads QMC	122
Importance of member participation in consumer trade relations program	119	Publicity	
Defense		Country Gentleman magazine . . .	121
Amortization under Sec. 124A . . .	119	Charm magazine	121
Food Regulation		Parade magazine	121
FDA revises interpretation on dietary food labeling	120	Statistics	
Foreign Trade		Packs of beets and carrots through Dec. 31, 1953	120
British token import plan	121	1953 packs of canned fish	120
Trade with Japan	121	Citrus fruit production	120